

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:

COMPUTE NORTH HOLDINGS, INC., *et al.*,<sup>1</sup>

Debtors.

)  
) Chapter 11  
)  
) Case No. 22-90273 (MI)  
)  
) (Jointly Administered)  
)  
) **Cure Objection Deadline for Supplemental  
Cure Notice:**  
) **November 16, 2022 at 7:00 a.m.**  
) **(prevailing Central Time)**  
)  
) **Re: Docket Nos. 91, 191, 256, & 334**

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**NOTICE OF FILING OF SECOND SUPPLEMENTAL  
CURE SCHEDULE IN CONNECTION WITH PROPOSED SALE**

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**PLEASE TAKE NOTICE** that the above-captioned debtors and debtors in possession (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), on September 22, 2022 (the “Petition Date”), in the United States Bankruptcy Court for the Southern District of Texas (the “Bankruptcy Court”). The Debtors are seeking to assume and assign certain of their executory contracts and unexpired leases in connection with one or more sales of assets (collectively, the “Assets”). The Debtors are seeking Court approval of such sales and assumptions and assignments pursuant to a motion, dated September 26, 2022 [Docket No. 91] (the “Motion”).<sup>2</sup>

The Court has entered an order [Docket No. 256] (the “Final Sale Procedures Order”) approving, among other things, (i) certain procedures for the sale of Assets with an aggregated selling price equal to or less than \$1,000,000 (the “De Minimis Asset Sale Procedures”), (ii) certain procedures for the sale of Assets with an individual or collective value over \$1,000,000 (the “Bidding Procedures”), and (iii) certain procedures that govern the assumption and assignment of certain executory contracts and unexpired leases transferred pursuant to either the De Minimis Asset Sale Procedures or the Bidding Procedures. Copies of the Motion and the Final

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: Compute North Holdings, Inc. (4534); Compute North LLC (7185); CN Corpus Christi LLC (5551); CN Atoka LLC (4384); CN Big Spring LLC (4397); CN Colorado Bend LLC (4610); CN Developments LLC (2570); CN Equipment LLC (6885); CN King Mountain LLC (7190); CN Minden LLC (3722); CN Mining LLC (5223); CN Pledgor LLC (9871); Compute North Member LLC (8639); Compute North NC08 LLC (8069); Compute North NY09 LLC (5453); Compute North SD, LLC (1501); Compute North Texas LLC (1883); Compute North TX06 LLC (5921); and Compute North TX10 LLC (4238). The Debtors’ service address for the purposes of these chapter 11 cases is 7575 Corporate Way, Eden Prairie, Minnesota 55344.

<sup>2</sup> Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Sale Procedures Order are available for download at <https://dm.epiq11.com/case/ComputeNorthHoldings/info> (the “Case Website”).

The Debtors have reserved the right to designate one or more parties to serve as stalking horse purchasers for the Assets (each a “Stalking Horse Purchaser”). For each Stalking Horse Purchaser, a notice will be filed on the Bankruptcy Court’s docket and posted on the Case Website identifying each Stalking Horse Purchaser, the terms of each Stalking Horse Agreement, and other information regarding each Stalking Horse Purchaser, as described in the Motion and the Final Sale Procedures Order.

On November 11, 2022, the Debtors caused customized notices to be served upon each of the non-Debtor counterparties (each a “Counterparty”), identified on Exhibit A hereto (the “Supplemental Cure Schedule”), to the additional unexpired leases and executory contracts (collectively, the “Contracts”) that may be potentially assumed and assigned in connection with a sale under either the De Minimis Asset Sale Procedures or the Bidding Procedures.

The Debtors have determined the current amounts owing (the “Cure Amounts”) under each Contract and have listed the applicable Cure Amount for the Contract(s) on the Supplemental Cure Schedule. The Cure Amounts are the only amounts proposed to be paid upon any assumption and assignment of the Contracts, in full satisfaction of all amounts outstanding under the Contracts.

Any Counterparty that objects to (i) the applicable Cure Amount or (ii) the Debtors’ ability to assume and assign the applicable Contract, must file and serve an objection (a “Contract Objection”). Any Contract Objection shall: (i) be in writing; (ii) comply with the Bankruptcy Rules and the Local Rules; (iii) be filed with the Clerk of the Court, 515 Rusk Street, Houston, Texas 77002, together with proof of service, **on or before 7:00 a.m. (prevailing Central Time) on November 16, 2022** (the “Supplemental Contract Objection Deadline”);<sup>3</sup> (iv) be served, so as to be actually received on or before the Supplemental Contract Objection Deadline, upon the Objection Notice Parties (set forth below); and (v) state with specificity the grounds for such objection, including, without limitation, the fully liquidated cure amount and the legal and factual bases for any unliquidated cure amount that such Counterparty believes is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code for the Contract in question, along with the specific nature and dates of any alleged defaults, any pecuniary losses resulting therefrom, and the conditions giving rise thereto.

Any objections to adequate assurance of future performance by a Successful Bidder other than a De Minimis Asset Purchaser shall be filed no later than **4:00 p.m. (prevailing Central Time) on the date that is two (2) days after service of the Notice of Successful Bidder**

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<sup>3</sup> On October 18, 2022, the Debtors served notices to Counterparties whose Contracts were identified as Target Contracts on such date and filed notice of the same on the docket maintained in these Chapter 11 Cases [Docket No. 209] (the “Initial Cure Notice”). Pursuant to the Final Sale Procedures Order, the deadline to object to any proposed cure amount set forth in the Initial Cure Notice is November 1, 2022 at 4:00 p.m. (prevailing Central Time). In accordance with the Final Sale Procedures Order, the Debtors reserved the right to identify additional Target Contracts subsequent to the service of the Initial Cure Notice by serving this supplemental cure notice (this “Supplemental Cure Notice”) on Counterparties to such Contracts. Pursuant to the Final Sale Procedures Order, the deadline to object to the cure amount set forth in this Supplemental Cure Notice is two (2) hours prior to the commencement of the Sale Hearing.

(the “Adequate Assurance Objection Deadline”). Objections to adequate assurance of future performance by a De Minimis Asset Purchaser shall be governed by the De Minimis Asset Sale Procedures and addressed via separate notice.

The “Objection Notice Parties” are as follows: (i) counsel to the Debtors, Paul Hastings LLP, 600 Travis Street, 58th Floor, Houston, Texas 77002, Attn: James T. Grogan III (jamesgrogan@paulhastings.com); 200 Park Avenue, New York, New York 10166, Attn: Luc Despina, Sayan Bhattacharyya, and Daniel Ginsberg (lucdespins@paulhastings.com, sayanbhattacharyya@paulhastings.com, and danielginsberg@paulhastings.com); and 71 South Wacker Drive, Suite 4500, Chicago, Illinois 60606, Attn: Matthew Micheli and Michael Jones (mattmicheli@paulhastings.com and michaeljones@paulhastings.com); (ii) proposed counsel to the official committee of unsecured creditors appointed in these Chapter 11 Cases, McDermott Will & Emery LLP, 2501 North Harwood Street, Suite 1900, Dallas, Texas 75201, Attn: Charles R. Gibbs (crgibbs@mwe.com); One Vanderbilt Avenue, New York, New York 10017, Attn: Kristin K Going, Darren Azman, Stacy A. Lutkus, and Natalie Rowles (kgoing@mwe.com, dazman@mwe.com, salutkus@mwe.com, and nrowles@mwe.com); (iii) the Office of the United States Trustee for the Southern District of Texas, 515 Rusk Street, Suite 3516, Houston, Texas 77002, Attn: Jayson B. Ruff and Jana Whitworth (Jayson.B.Ruff@usdoj.gov and Jana.Whitworth@usdoj.gov); and (iv) counsel to each Stalking Horse Purchaser, if any.

If no objection is timely received with respect to a Cure Amount, then upon the closing of the applicable sale and payment of any Cure Amounts set forth in this notice: (i) such Counterparty shall be forever barred from objecting to the Cure Amount and from asserting any additional cure or other amounts with respect to such Contract, (ii) the Cure Amount set forth on Exhibit A attached hereto shall be controlling, notwithstanding anything to the contrary in any Contract, or any other document, and such Counterparty shall be deemed to have consented to the Cure Amount, and (iii) such Counterparty shall be forever barred and estopped from asserting any other claims related to such Contract against the Debtors or the applicable transferee, or the property of any of them.

If no objection is received by the Adequate Assurance Objection Deadline to any Successful Bidder’s adequate assurance of future performance with respect to such Counterparty’s Contract, such Counterparty shall be deemed to have consented to the assumption, assignment, and transfer of the applicable Contract to the applicable Successful Bidder and shall be forever barred and estopped from asserting or claiming that any conditions to such assumption, assignment, and transfer must be satisfied under such applicable Contract or that any related right or benefit under such applicable Contract cannot or will not be available to the applicable Successful Bidder.

An auction (the “Auction”) for the Assets, including the Contracts, will be conducted on November 14, 2022, at 10:00 a.m. (prevailing Central Time) at (i) the offices of Paul Hastings LLP, 600 Travis Street, 58th Floor, Houston, Texas 77002 or (ii) virtually by videoconference or teleconference, or such other date, time, or location as the Debtors, after consultation with the Consultation Parties, may notify Qualifying Bidders who have submitted Qualifying Bids. As soon as reasonably practicable after the Auction, the Debtors will file with the Court and post to the Case Website a notice identifying the Successful Bidder(s), which shall set forth, among other things, (i) the Successful Bidder(s) and Back-Up Bidder(s) (if any), (ii) the Contracts selected by

the Successful Bidder to be assumed and assigned, (iii) the proposed assignee(s) of such Contracts, and (iv) contact information of the proposed assignee, so that Counterparties to the selected Contracts may obtain the applicable Successful Bidder's adequate assurance information, which shall be provided to each affected Counterparty on a confidential basis.

The Debtors will seek to assume and assign the Contracts that have been selected by a Successful Bidder (the "Selected Assumed Contracts") at a hearing to be held before the Honorable Marvin Isgur, in the United States Bankruptcy Court for the Southern District of Texas, Courtroom 404, 4th Floor, 515 Rusk Street, Houston, Texas 77002 (a "Sale Hearing") on November 16, 2022 at 9:00 a.m. (prevailing Central Time), or such other date as determined by the Debtors in accordance with the terms of the Final Sale Procedures Order.

To the extent that the Debtors and a Counterparty are unable to consensually resolve any Contract Objection prior to the commencement of the Sale Hearing, including, without limitation, any dispute with respect to the cure amount, if any, required to be paid to the applicable Counterparty under section 365(b)(1)(A) and (B) of the Bankruptcy Code (any such dispute, a "Cure Dispute"), such Contract Objection will be adjudicated at the Sale Hearing or at such other date and time as may be determined by the Debtors and the applicable Successful Bidder or fixed by the Court; *provided*, however, that if the Contract Objection relates solely to a Cure Dispute, the Selected Target Contract may be assumed by the Debtors and assigned to any Successful Bidder provided that the cure amount that the Counterparty asserts is required to be paid under section 365(b)(1)(A) and (B) of the Bankruptcy Code (or such lower amount as agreed to by the Counterparty) is deposited in a segregated account by the Debtors or the applicable Successful Bidder pending the Court's adjudication of the Cure Dispute or the parties' consensual resolution of the Cure Dispute.

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Dated: November 11, 2022  
Houston, Texas

*/s/ James T. Grogan III*

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**PAUL HASTINGS LLP**

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*Counsel to the Debtors and Debtors in Possession*

**Exhibit A**

**Supplemental Cure Schedule**

**Compute North Holdings, Inc. - Assumption Notices<sup>1</sup>***Contract Cure Summary*

Counterparty	Contract Name / Identification	Debtor Entity	Cure Amount <sup>2/3</sup>
7575 MANAGEMENT LLC ATTN: SPENCER BARRON 7575 CORPORATE WAY EDEN PRAIRIE, MN 55344	OFFICE LEASE AGREEMENT DTD JUNE 1, 2021	COMPUTE NORTH TEXAS, LLC	AGGREGATE CURE AMOUNT - \$88,781.00
CITY OF BIG SPRING 310 NOLAN STREET BIG SPRING, TX 79720	INDUSTRIAL PARK LEASE AGREEMENT, DATED MARCH 15, 2018, BY AND BETWEEN THE CITY OF BIG SPRING TEXAS AND COMPUTE NORTH TEXAS, LLC	COMPUTE NORTH TEXAS, LLC	AGGREGATE CURE AMOUNT - \$24,463.87
CITY OF BIG SPRING 310 NOLAN STREET BIG SPRING, TX 79720	INDUSTRIAL PARK LEASE AGREEMENT, DATED DECEMBER 1, 2018, BY AND BETWEEN THE CITY OF BIG SPRING AND COMPUTE NORTH TEXAS, LLC	COMPUTE NORTH TEXAS, LLC	AGGREGATE CURE AMOUNT - \$24,463.87
CITY OF BIG SPRING 310 NOLAN STREET BIG SPRING, TX 79720	FIRST AMENDMENT TO THE LEASE AGREEMENT, DATED DECEMBER 1, 2020, BY AND BETWEEN THE CITY OF BIG SPRING AND COMPUTE NORTH TEXAS, LLC	COMPUTE NORTH TEXAS, LLC	AGGREGATE CURE AMOUNT - \$24,463.87
CITY OF BIG SPRING 310 NOLAN STREET BIG SPRING, TX 79720	GROUND LEASE, DATED DECEMBER 9, 2021, BY AND BETWEEN CITY OF BIG SPRING AND COMPUTE NORTH TEXAS, LLC	COMPUTE NORTH TEXAS, LLC	AGGREGATE CURE AMOUNT - \$24,463.87
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	PURCHASE AGREEMENT, DATED DECEMBER 1, 2021, BY AND BETWEEN GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST AND COMPUTE NORTH NE05, LLC	CN MINDEN LLC	\$0.00
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	FIRST AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN COMPUTE NORTH NE05, LLC AND GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST	CN MINDEN LLC	\$0.00
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	SECOND AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN COMPUTE NORTH NE05, LLC AND GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST	CN MINDEN LLC	\$0.00
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	THIRD AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN COMPUTE NORTH NE05, LLC AND GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST	CN MINDEN LLC	\$0.00
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	FOURTH AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN COMPUTE NORTH NE05, LLC AND GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST	CN MINDEN LLC	\$0.00

**Compute North Holdings, Inc. - Assumption Notices<sup>1</sup>***Contract Cure Summary*

Counterparty	Contract Name / Identification	Debtor Entity	Cure Amount <sup>2/3</sup>
GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST 405 ALCOTT COURT COLORADO SPRINGS, CO 80921	FIFTH AMENDMENT TO PURCHASE AGREEMENT BY AND BETWEEN COMPUTE NORTH NE05, LLC AND GARY A. FRITH AND RUTH K. FRITH, TRUSTEES OF THE FRITH LIVING TRUST	CN MINDEN LLC	\$0.00
GREAT PLAINS COMMUNICATIONS LLC 1635 FRONT ST BLAIR, NE 68008	SERVICE AGREEMENT BY AND BETWEEN GREAT PLAINS COMMUNICATIONS LLC AND COMPUTE NORTH	COMPUTE NORTH LLC	\$0.00
KR SIOUX CITY NAI UNITED MANAGEMENT 302 JONES ST., SUITE 100 SIOUX CITY, IA 51101	COMMERCIAL INDUSTRIAL BUILDING LEASE, DATED AUGUST 22, 2018, BY AND BETWEEN KR SIOUX CITY 2017 LLC AND COMPUTE NORTH SD, LLC	COMPUTE NORTH SD, LLC	\$0.00
KR SIOUX CITY NAI UNITED MANAGEMENT 302 JONES ST., SUITE 100 SIOUX CITY, IA 51101	FIRST AMENDMENT TO LEASE AGREEMENT, DATED JULY 26, 2019, BY AND BETWEEN KR SIOUX CITY 2017 LLC AND COMPUTE NORTH SD, LLC	COMPUTE NORTH SD, LLC	\$0.00
R. O. YOUKER, INC. 1201 O STREET, SUITE 310 LINCOLN, NE 68508	AN AGREEMENT FOR THE PROVISION OF LIMITED PROFESSIONAL SERVICES 12 09 21 WITH R.O. YOUKER, INC	COMPUTE NORTH LLC	\$0.00
RAND WORLDWIDE ATTN DEREK CRENSAHW 306 ROCK CREEK WAY PLEASANT HILL, CA 94523	CONSULTING AGREEMENT, DATED MAY 11, 2022, BY AND BETWEEN RAND WORLDWIDE SUBSIDIARY, INC. AND CN MINDEN LLC	CN MINDEN LLC	AGGREGATE CURE AMOUNT - \$37,625.00

<sup>1</sup> The inclusion of a contract or lease on this Assumption Notice does not constitute an admission that the contract or lease does or does not constitute an executory contract or unexpired nonresidential real property lease under applicable law, or as to the existence or validity of any claims held by the counterparty or counterparties to such contract or lease

<sup>2</sup> Where indicated, cure amounts listed as "Aggregate Cure Amount" provide the total cure amount for all existing contracts or leases with the specified contract counterparty

<sup>3</sup> Cure Amount excludes financing agreements